

## **Enhancing Social Innovation by Rethinking Collaboration, Leadership and Public Governance**

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# Enhancing Social Innovation by Rethinking Collaboration, Leadership and Public Governance

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It is widely recognized that public innovation is the intelligent alternative to blind across-the-board-cuts in times of shrinking budgets, and that innovation may help to break policy deadlocks and adjust welfare services to new and changing demands. At the same time, there is growing evidence that multi-actor collaboration in networks, partnerships and interorganizational teams can spur public innovation (Sørensen and Torfing, 2011). The involvement of different public and private actors in public innovation processes improves the understanding of the problem or challenge at hand and brings forth new ideas and proposals. It also ensures that the needs of users, citizens and civil society organizations are taken into account when innovative solutions are selected, tested and implemented.

While a lot of public innovation continues to be driven by particular public employees and managers, there seems to be a significant surge in collaborative forms of innovation that cut across the institutional and organization boundaries within the public sector and involve a plethora of private actors with relevant innovation assets. Indeed, the enhancement of collaborative innovation has become a key aspiration of many public organizations around the world. However, if we fail to develop a more precise and sophisticated understanding of the concepts of 'innovation' and 'collaboration', we risk that both terms are reduced to empty and tiresome buzzwords that will not last to the end of the season. Moreover, in reality, collaborative and innovative processes are difficult to trigger and sustain without proper innovation management and a supporting cultural and institutional environment. This insight calls for further reflections on the role of public leadership and management and for a transformation of the entire system of public governing.

Hence, in order to spur collaborative innovation in the public sector, we need to clarify the basic terms of the debate and explore how collaborative innovation can be enhanced by new forms of innovation management and new forms of public governing. To this end, we shall first define the notions of innovation and public innovation and discuss the relation between public innovation and social innovation in order to better understand the purposes of different forms of innovation. We shall then seek to clarify the notion of collaboration and pinpoint why and how collaboration enhances public innovation. Next, we shall offer some theoretical and practical reflections about how public leaders and managers can advance collaborative innovation. Finally, we shall argue that the enhancement of collaborative forms of social innovation calls for a transformation of the system of public governing that shifts the balance from New Public Management towards New Public Governance.

## Innovation, public innovation and social innovation

Developing a new and promising idea through a heuristic process based on intuition, brainstorming and a pragmatic recombination of old and new elements is a manifestation of creativity, but creativity only becomes innovation when the new and promising idea is implemented and makes a difference (Mulgan and Albury, 2003). As such, innovation can be defined as the development and practical realization of new and creative ideas in order to produce some added value (Hartley, 2005).

Innovation involves change, but it is not all forms of change that qualify as innovation. Only step-changes that disrupt the existing practices and the common wisdom in a particular area are innovations. Step-changes can be small and incremental and merely change the form and content of particular practices, or they can be large and radical and transform both the goals and operational logic of an entire service system. However, step-changes always involve some degree of discontinuous change and that is precisely the essence of innovation: to develop and implement new and creative solutions that somehow break with the past.

Innovative solutions can either be the result of the invention of something entirely new, or the result of the imitation of innovative solutions from elsewhere in and through a complex process of adoption and adaption. Hence, it is not the source of innovation, but the local context of implementation that determines whether something is an innovation or not (Roberts and King, 1996).

Since the early days of Marx and Schumpeter, innovation has been regarded as a key driver of economic growth and a necessary condition for ensuring competitiveness and profitability of private firms (Hagedorn, 1996). Market competition forces private enterprises to develop innovative products, production methods and marketing strategies in order to stay in business.

For a long time innovation was perceived as something that was only relevant to the private sector. Public innovation was considered an oxymoron. Hence, it is a persistent myth that the public sector, due to the lack of competition and profit motives, is much less innovative than the market-based private sector (Borins, 2001; Hartley, Sørensen and Torfing, 2013). There is no doubt that competition incentivizes private firms to innovate, but it does not provide a method for innovation. Hence, when private firms aim to produce innovation, they face many of the same barriers as public organizations do because they are both organized as bureaucracies with hierarchical command structures, an internal division of labor, cultural boundaries between different professions, rule-governed behavior and a tendency towards institutional isolation that means that innovation is produced in-house (Halvorsen et al. 2005).

The public sector also has some sector-specific barriers due to the fact that it is politically governed, lacks economic incentives and produces regulations and services that are extremely complex and often based on legal rights and entitlements. However, these specific barriers are partly outweighed by the sector-specific drivers of the public sector in terms of its large budget, well-educated staff, easy access to inputs from citizens and users, and relatively favorable conditions of interorganizational learning, policy transfer and innovation diffusion (Rashman and Hartley, 2002).

With these drivers in mind, it comes as no surprise that the public sector is far more dynamic and innovative than its reputation. Hence, contrary to the classical public administration theory – from Max Weber, over Anthony Downs, to Charles Lindblom – the public sector seems to create a lot of innovation. This becomes clearly visible if we compare today's public sector with the one we had 30 years ago. Within that short timespan new policy areas such as preventive care, active employment policy and climate change mitigation have emerged. We have seen the development of a whole range of innovative services such as online education, neighborhood renewal programs, and re-habilitation of elderly people so that they can stay as long as possible in their own home. Public organizations have been transformed by the introduction of elaborate system of performance management, performance-related wage-systems and quasi-markets. Service delivery processes have innovated by the creation of one-stop service agencies, public-private partnerships and digital self-service. Finally, the role and position of the public sector has been subject to innovation due to the recent emphasis on active citizenship, co-production and volunteering.

Historical studies of the development of social policies (Ehrenreich, 1985; Dean, 1991) confirm that the public sector has always produced a considerable amount of innovation. However, it is only recently that we have begun to talk about public innovation and discuss how we can spur public innovation in response to globalization, fiscal and demographic pressures and the rising service expectations of citizens and private companies. In the last decade, public innovation has moved to the top of the policy agenda in most public organizations, but there is still more people in the public sector who are talking the talk than walking the walk.

The notion of social innovation has played an important role in the recent expansion of the public innovation agenda. In the beginning, when innovation was first addressed in relation to the public sector, the focus was on how the public sector could contribute to innovation and growth in the private sector through scientific research, knowledge transfers, technology policy and participation in networks of private companies known as national innovation systems (Lundvall, 1992). The public sector was merely seen as a mid-wife for private sector innovation. The 'Reinventing Government' movement associated with the advancement of New Public Management slightly changed the focus (Osborne and Gaebler, 1993). The public sector was to become more dynamic and innovative in order to increase its efficiency; thus, making it possible to reduce taxes and boost the competitiveness of the private sector. Whereas the 'Reinventing Government' movement still saw private sector growth as the ultimate telos of public innovation, the new discourse on 'social innovation' completely changed the rationale for enhancing public innovation. Social innovation is defined as 'innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organizations whose primary purpose are social' (Mulgan et al. 2007: 8). Social innovation is essentially a public innovation that aims to find a 'so-



lution that is more effective, efficient, sustainable, or just than the existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals' (Phills, Deiglmeier and Miller, 2008: 36). Hence, the notion of social innovation pinpoints those forms of public innovation that are social and public in character and not motivated by concerns for private sector growth and profitability.

Social innovation includes innovations in public programs, regulations and services that aim to improve the living conditions of the citizens and meet their unfulfilled needs for material goods, personal and environmental protection, social care, individual and social opportunities, etc. Social innovation also includes organizational and process innovation that helps to provide higher quality of and better access to public services while cutting costs and thereby facilitating the consolidation of public programs and the funding of new ones. Finally, in our view, social innovation also includes policy innovations that aim to reformulate and reinvent social demands and the way that they are met in response to new societal developments and changing political values and aspirations.

The use of the notion of 'social innovation' has not caught on to the same extent as...in all countries and the discourse on social innovation appears to be stronger in the Anglo-Saxon countries than in continental Europe, despite the attempt of the EU to promote the concept (European Commission, 2011, 2013). However, the underlying idea that public innovation should serve a social purpose has gripped policy makers, public managers and public employees throughout Europe so that today the key question is not whether we should spur public innovation in order to enhance the production of social and public value. Rather, the question how we can do it.

### **Collaborative innovation: the argument**

It is often assumed that innovation in the private sector is generated by forward-looking business leaders, hard-working entrepreneurs and genius inventors. However, the truth is that most innovations in private enterprises are created either by large R&D-departments or by strategic alliances with other firms. Nevertheless, the myth about the individual innovation heroes that allegedly drives innovation in the private sector has inspired the public sector to look for its own innovation heroes (Doig and Hargrove, 1987). Some have highlighted the role of elected politicians who need to bring new ideas to the table in order to gain support from the voters (Polsby, 1984). The 'Reinventing Government' movement has celebrated the entrepreneurial spirit of public managers engaged in strategic management and private contractors who are competing for tender in the new quasi-markets (Osborne and Gaebler, 1993). More recently, there has been a growing interest in employee-driven and user-driven innovation in the public sector (LO, 2008; Bogers, Afuah and Bastian, 2010).

What this misguided search for public innovation heroes fails to realize is that innovation is seldom the result of the efforts of a single actor (Csikszentmihalyi, 1996). Hence, it is often in the meeting between different public and/or private actors that new ideas are developed, processes of mutual learning are accelerated, and joint ownership to new and bold solutions is built. As such, new research suggests that multi-actor collaboration strengthens and improves all phases in the innovation process (Roberts and Bradley, 1991; Roberts and King, 1996; Hartley, 2005; Nambisan, 2008; Eggers and Singh, 2009). The understanding of the problems and challenges at hand is improved when the experiences and knowledge of different public and private actors are taken into account. The development of new ideas is strengthened when actors with different perspectives and opinions are invited to think along and new ideas are cross-fertilized, sharpened and combined through collaboration. The selection and testing of the most promising solutions will be enriched if actors with different backgrounds and concerns participate in negotiation of gains and risks. The implementation of innovative solutions is promoted when the relevant actors coordinate their actions and have joint ownership of the new solution. Last but not least, the diffusion of innovation is enhanced because the participating actors will act as ambassadors and disseminate information of both the content and advantages of the innovative practices.

Ben Bommert (2010) captures the core of the argument for collaborative innovation when he asserts that collaborative innovation is the only innovation method that ensures that it is possession of innovation assets rather than organizational and institutional boundaries that determines who contributes to the production of public innovation. Both competitive markets and hierarchical

forms of government tend to foster innovation processes that are trapped within the narrow confines of a single organization and thus fail to reap the fruits of collaboration with relevant and affected actors who can provide important inputs to the innovation process.

The literature on social innovation also tends to emphasize the collaborative aspect of innovation processes. Hence, social innovations are considered to be social both in their ends and in their means (European Commission, 2013). Hence, it is frequently asserted that particularly the end users, whose needs are going to be met, should participate in initiating, designing and implementing innovative policies and services because their input to the innovation process is crucial (Von Hippel, 2005, 2007). However, because of the one-sided emphasis on the role of end-users in the co-creation of social innovations, we prefer to talk about collaborative innovation which does privilege end users, but opens up the possibility for the inclusion of all relevant and affected actors from the public and private sector.

The notion of collaborative innovation resonates well with the growing interest in collaborative governance through networks, partnerships and interorganizational communities of practice (Agranoff, 2007; Ansell and Gash, 2007; O'Leary and Bingham, 2009). While 'governance' is defined as the formal and informal processes through which society and the economy are steered and public problems are solved in accordance with common objectives (Torfing et al. 2012), it is not always clear how collaboration is conceptualized. One approach is to distinguish between cooperation, coordination and collaboration (Keast, Brown and Mandell, 2007). Whereas cooperation involves the exchange of relevant information and knowledge and coordination aims to create synergies and avoid overlaps in public regulation and service production, collaboration involves a sustained interaction through which a plethora of actors aim to find common solutions to shared problems. Hence, collaboration involves more than communication and sustained dialogue and more than pragmatic attempts to pool resources and avoid stepping on each other's toes. Collaboration is based on a mutual commitment of two or more actors to work together towards a common end that can only be reached through the transmutation of materials, ideas and/or social relations (Roberts and Bradley, 1991). In collaborative processes social and political actors work on a shared problem in order to find mutually acceptable ways to conceptualize and solve it. In the course of interaction the actors will not only transform the shared object, but also their roles and identities and the logic of appropriate action that guide their actions (March and Olsen, 1995; Engeström, 2008).

Collaboration is sometimes associated with 'unanimous consent' (Straus, 2002). However, a total consensus with no room for dissent is extremely demanding in terms of the time and resources it would take to get everybody to embrace a joint solution. It is also detrimental to innovation because conflicts, dissent and grievances tend to drive innovation and because total consensus is often achieved by getting everybody to agree on the least common denominator, which is a method that favors incremental adjustments rather than more discontinuous changes and disruptive innovations. In contrast to the predominant view that consensus is obtained through deliberation in a power-free space of communicative reason, we shall here follow Barbara Gray (1989) in defining collaboration as involving the constructive management of differences in order to find joint solutions to shared problems. We collaborate because we are different and we expect that our different experiences and perspectives will give us a more complex and nuanced understanding of the world, challenge and disturb our tacit knowledge, and produce new and creative ideas through passionate debates based on joint aspirations and mutual contestation.

Collaboration breaks down if the participants develop an antagonistic relation with each other, but if the differences between the actors are managed in a constructive way, the actors will be able to reach an agreement about the content and character of the innovative solution that they aim to realize. The agreement will be provisional, contested and involve compromise formation, but a majority of the actors will rally behind it, despite their eventual reservations and grievances. The advantage of this way of conceptualizing collaboration as a conflict-ridden attempt to find joint solutions to shared problems through provisional and disputed agreements is that it makes room for the differences and passions that fuel the processes of creativity and innovation.

In the Danish CLIPS-project we have conducted 14 case studies of successful public innovations in relation to crime prevention in a local neighborhood. Most of the innovations are service innovations that are developed in response to unmet needs of at risk youths. While four of the smaller projects are driven by individual change agents, the rest of the innovation projects were created through collaboration either between public and private actors (six projects) or different public

agencies (four projects). However, there is a tendency for the private stakeholders to be more involved in the co-creation of the implementation than in the co-creation of the initiation and design. Another key finding is that the end-users ('at risk youth') seldom play a key role in the projects, whereas civil society organizations and non-profit contractors are central players. Last but not least, we find that leadership is indispensable for enabling and giving direction to co-created innovations (Torfing and Krogh, 2013).

### Rethinking public leadership and management

Enhancing collaborative innovation in the public sector requires the development of a new kind of public leadership and management. Whereas the traditional forms of public leadership and management have aimed to govern 'facticity' by responding to the actual performance of staff and administrative agencies and the results they are producing, the new forms of innovation management must aim to govern 'emergence' in the sense of inchoate solutions that might be realized sometime in the future. Hence, it is not enough to recruit, instruct and evaluate public employees through what is known as transaction management; nor is it sufficient to empower and motivate the staff through what is referred to as transformational leadership (Parry and Bryman, 2012). Rather, the promotion of public innovation requires a combination of adaptive and pragmatic leadership. Adaptive leadership aims to determine which activities to maintain and which to adapt and transform. It then seeks to develop new practices by crafting and testing prototypes and by aligning people across the organization in order to ensure execution and facilitate integration of the new activities with the old ones (Heifetz, Linsky and Grashow, 2009). Pragmatic leadership aims to transform the culture of public organizations in ways that enhance single and double loop learning, and even transformative learning that develops new metaphors and narratives that help us to understand what we have not been able to comprehend and change our identities and roles (Argyris and Schön, 1978; Mezirow et al., 2000).

Public leaders and managers may also benefit from acquaintance with the new design thinking that uses design tools to tackle complex problems by means user involvement, cross-disciplinary dialogue, collaborative brainstorming and experiential testing of prototypes in interactive processes (Bason, 2010). Design thinking promotes collaboration and co-creation, both in order to achieve 'divergent thinking' that uses logical analysis and creative methods to generate new ideas and proposals and in order to achieve 'convergent thinking' that synthesizes different ideas into new and better solutions that work.

Design thinking is a tool for enhancing collaborative innovation, and the efforts of public leaders and managers to create and sustain collaboration call for a more distributive and collaborative leadership. There is no need for visionary innovation heroes who can work miracles and turn around ossified public organizations overnight. Rather, we need to cultivate a new kind of public leaders and managers who are leading others to lead themselves (Parry and Bryman, 2012). Leaders and managers should distribute and disperse leadership functions in their organization through the empowerment of the employees and creation of self-managing teams and networks in which the leadership function is more horizontal (Wart, 2013). Horizontal leadership should also be strengthened in order to facilitate collaboration with private actors such as service users, citizens, NGOs and private firms. The challenge of collaborative leadership is both to design appropriate institutional arenas for collaborative governance and to mobilize relevant actors and facilitate collaborative processes by stressing the mutual interdependency of the public and private actors. This challenge should be met by a combination of hands-off and hands-on meta-governance of interactive governance processes (Meuleman, 2008). Meta-governance is an attempt to influence collaborative governance processes without reverting to traditional forms of command and control and it is exercised by means of creating and framing interactive arenas and facilitating and managing processes of multi-actor collaboration (Sørensen and Torfing, 2009).

Now, if we want to enhance collaborative innovation, we need to translate all these abstract ideas about how to lead and manage collaborative innovation processes into more concrete recommendations. In order to do so, we propose that the barriers to collaborative innovation in the public sector can be mitigated or overcome by public leaders and managers who assume the role of 'conveners', 'facilitators' and 'catalysts' (Straus, 2002; Crosby and Bryson, 2010; Morse, 2010; Page, 2010; Ansell and Gash, 2012).

The role of the convener is to bring together the relevant actors and spur interaction and the exchange of information, views and ideas. Hence, the convener must:

- Select the team by identifying actors with relevant innovation assets and incite and motivate them to participate in the innovation process
- Clarify the role of the different actors and draw up a process map that delineates who participates when and how in the different phases of the innovation process
- Encourage interaction and exchange between the participating actors by means of stimulating the recognition of their mutual dependence on each other's resources
- Secure political support for the search for innovative solutions and protect the integrity of the collaborative
- Give direction to the joint search for innovative solutions and align the goals and expectations of the actors

The role of the facilitator is to get the actors to collaborate by constructively managing their differences and engaging in processes of mutual learning that bring them beyond the least common denominator. Hence, the facilitator must:

- Lower the transaction costs of collaborating by arranging good and effective meetings, ensuring a smooth communication and selectively activating those actors who are not contributing as much as they could
- Enhance and sustain trust between the actors by creating venues for informal social interaction, encouraging the development of common rules and procedures for interaction, and triggering a virtuous cycle of trust-creation through a unilateral display of trust in the other actors
- Develop a common frame of understanding by creating a common knowledge base through knowledge exchange and joint fact finding missions and developing a common language based on jointly accepted definitions of key terms and ideas
- Resolve or mediate conflicts so that they become constructive rather than destructive and ensure that irresolvable conflicts are de-personalized and conceived as joint puzzles rather than road blocks
- Remove obstacles to collaboration by securing support from the executive leaders in the participating organizations and negotiating how costs and gains of innovative solutions are distributed among the actors

The role of the catalyst is to create appropriate disturbances and stimulate the actors to think out of the box and develop and implement new and bold solutions. As such, the catalyst must:

1. Construct a sense of urgency either by invoking a 'burning ship' or demonstrating the presence of a 'window of opportunity'
2. Prevent tunnel view by encouraging the actors to change their perspective, including new and different actors in the team, or bringing new and inspiring knowledge into play
3. Create open and creative search processes by changing the venue and the way that the actors interact and collaborate
4. Facilitate the management and negotiation of the risks associated with innovative solutions and coordinate the implementation process to enhance synergy and avoid overlap
5. Ensure that the participating actors assume the role of ambassadors and use their strong and weak ties to disseminate knowledge about the innovative solution



The deliberate attempt of public leaders and managers to convene the relevant actors, facilitate collaboration and co-creation and catalyze the development and realization innovative ideas needs to be supplemented with persistent attempts to build a strong innovation culture in public organizations (Dobni, 2008). Creating an innovation culture is a multifaceted venture that involves recruiting and nurturing creative talents, enhancing diversity and mobility, and encouraging staff members to use their professional knowledge to generate and test new ideas. It also involves combatting the zero-error culture, the detailed rules and regulation and the demotivating performance measurement systems that prevent innovation. Finally, it involves attempts to create flatter and more flexible organizations with a clear mission and leadership and to drill hole in the silos and create borderless organizations without fixed boundaries. What is called for is a cultural revolution in the public sector that requires a complete rethinking of the way that we are organizing, governing and leading the public sector and its relation to society. In short, we need to transform governance in order to enhance innovation.

### Transforming governance

The public sector has traditionally been organized as a Weberian bureaucracy, but the mounting critique of public bureaucracies for being too ineffective and inefficient has recently stimulated the adoption of governance reforms inspired by New Public Management (Hood, 1991). Public services should be privatized or contracted out and the remaining public service organizations should be subjected to competitive pressures from private contractors who are operating in new quasi-markets and from the end users who are re-cast as 'customers' and given the right to choose freely between competing public and private service providers. In order to be able to deal with this competitive pressure, the public sector should import a number of strategic management tools from the private sector such as contract steering of special purpose agencies, fixed budget frames with internal flexibility, management by objectives, performance measurement, performance-related pay systems, etc.

New Public Management has not been systematically implemented in all countries, but most Western democracies have been influenced by at least some of the core ideas (Pollitt and Bouckaert, 2004). The total effects of New Public Management are difficult, if not impossible, to assess. However, while the public sector in some countries has benefitted from a stronger emphasis on policy goals, evaluation and public leadership, there are also critical reports about increasing fragmentation, growing distrust and excessive costs of performance measurement (Dent, Chandler and Barry, 2004; Christensen and Lægreid, 2007).

Most importantly, however, New Public Management does not seem to have fulfilled its promise of enhancing public innovation. Hence, contrary to expectations, performance management tends to create a zero-error culture that prevents innovation; competition tends to prevent the exchange of new ideas that are treated as business secrets; and free consumer choice tends to turn the citizens into demanding and complaining users who do not feel part of the solution (Hartley, Sørensen and Torfing, 2013). If New Public Management has spurred public innovation through competitive tendering and procurement and the emphasis on public entrepreneurship, it has clearly not been by means of enhancing collaboration.

Consequently, we insist that the enhancement of collaborative innovation in the public sectors is predicated on a shift from New Public Management to New Public Governance (Osborne, 2006; 2010; Torfing and Triantafyllou, 2013). The contrast between the two paradigmatic ways of governing the public sector and its relation to its external environment is shown in table 1.

Table 1: Comparison of New Public Management and New Public Governance

New Public Management	New Public Governance
Self-interested public employees must be subjected to tight monitoring and control	Self-interest is combined with a strong Public Service Motivation that calls for trust-based management
The problem is the public monopoly over service production that makes service products too poor and too expensive	The problem is the growing complexity and wickedness of the problems and challenges that are facing the public service production
The solution is enhance competition through privatization and contracting out	The solution is public-private collaboration through networks and partnerships
Intraorganizational management should focus on resources and performance	Interorganizational leadership should focus on processes and results
Citizens are customers with free service choice	Citizens are co-producers and co-creators of welfare services
The goal is the enhancement of efficiency through rationalization based on LEAN	The goal is the enhancement of efficiency, effectiveness and quality through resource mobilization and innovation

The comparison of the two governing paradigms in table 1 brings out the defining features of New Public Governance. It is important that these features tend to enhance and sustain collaborative innovation. Hence, trust-based management resting on co-leadership, mutual feedback and empowerment tends to enhance the motivation of public employees to help solve social problems and create a space for collaboration that can produce innovative solutions (Nyhan, 2006). Focusing on problems and challenges will stimulate a cross-disciplinary and Interorganizational search for new and bold solutions and the turn from product- to service-orientation will open the eyes of public administrators to the active and creative role of citizens in co-production (Osborne, Radnor and Nasi, 2013). The emphasis on collaboration rather than competition will enhance the exchange of knowledge, ideas and resources and generate support to new and innovative strategies (Sørensen and Torfing, 2011). Collaborative leadership aiming to create good and constructive processes, which can foster the kind of results that are needed, will help to overcome organizational and professional boundaries and stimulate mutual and transformative learning processes (Wart, 2013). Turning citizens from passive consumers to active citizens will enhance co-production and co-creation that use the experiences, competencies and energies of end-users to renew public services (Bovaird and Loeffler, 2012). Last but not least, the transgression of the narrow confines of Lean-based rationalization techniques will open up for creative processes that aim to re-cast the systems of public service production as well as their underlying perception of the problems, goals and causalities in the search for disruptive innovations that can give us more and better services for less (Radnor and Osborne, 2013).

New Public Governance is likely to stimulate collaborative innovation in the public sector and it is, therefore, positive to see that ideas and practices associated with New Public Governance are emerging and gaining momentum in public sectors throughout Europe (Torfing and Triantafyllou, 2013). However, just as New Public management did not replace bureaucratic forms of government, New Public Governance will tend to co-exist with remnants of the former governing paradigms, thus adding a new layer of institutional practices to the existing layers. The co-existence of different governing paradigms will no doubt give rise to the formation of hybrid forms of governance with unforeseen and ambiguous effects on the innovative capacity of the public sector.

Nevertheless, the more hegemonic the New Public Governance paradigm becomes, the greater the chances that public innovation will flourish and help us improve public policies and services in the face of the present and future challenges.

## Conclusion

In this article we have explained how the notion of social innovation has helped to create a new *sui generis* focus on innovation in the public sector and shown how collaboration, defined as the constructive management of difference, can drive public innovation. We have also explored the challenges that collaborative innovation pose to public leadership and management and delineated three important roles for public innovation managers. Finally, we have shown that the further advancement of collaborative innovation is predicated on a shift from New Public Management to New Public Governance.

Despite its importance and promise, the research on collaborative innovation is only in its infancy and further research is needed. We shall conclude this article by mentioning the five top priorities on the research agenda. First, we need comparative case studies as well as quantitative studies in order to further document the effects of multi-actor collaboration on public innovation. Second, we must explain why stakeholder participation in co-created implementation tends to be stronger than in co-created initiation and design. Third, we need a detailed mapping of the political and institutional barriers and drivers of collaborative innovation. Fourth, we must identify the dilemmas associated with the exercise of innovation management and reflect on how they are managed. Finally, the political conditions for a transition to New Public Governance must be assessed.

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